

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<b>In re:</b>	<b>§</b>	<b>Chapter 11</b>
	<b>§</b>	
<b>FEDERAL-MOGUL GLOBAL, INC.,</b>	<b>§</b>	<b>Case No. 01-10578 (RTL)</b>
<b>T&amp;N LIMITED, et al.,</b>	<b>§</b>	<b>Jointly Administered</b>
	<b>§</b>	
<b>Debtors.</b>	<b>§</b>	
	<b>§</b>	
	<b>§</b>	

**FEE AUDITOR'S FINAL REPORT REGARDING  
FEE APPLICATION OF BELL, BOYD & LLOYD, LLC  
FOR THE FOURTEENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fourteenth Quarterly Interim Fee Application of Bell, Boyd & Lloyd, LLC (the “Application”).

**BACKGROUND**

1. Bell, Boyd & Lloyd, LLC (“BBL”), was retained as Counsel to the Official Committee of Equity Security Holders of Federal-Mogul Corporation. In the Application, BBL seeks approval of fees totaling \$231,894.00 and expenses totaling \$5,263.02 for its services from February 1, 2005 through April 30, 2005 (the “Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001 (the “Local Rules”), and the United States Trustee Guidelines

for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the “U. S. Trustee Guidelines”), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on BBL, and received a response from BBL, portions of which response are quoted herein.

## **DISCUSSION**

### General Issues

3. The Order Appointing Fee Auditor and Establishing Related Procedures Concerning the Allowance and Payment of Compensation and Reimbursement of Expenses of Professionals and Members of Official Committees and Consideration of Fee Applications, dated April 8, 2002, provides in Paragraph 6 that “[a]pplicants shall not be compensated for fees incurred in preparing a Fee Application in an amount in excess of 5% of the fees subject to such Fee Application, in the absence of a sufficient showing of cause for any such fees.” As the compensation for preparing a particular fee application is generally sought in the following fee application (we have heard this referred to as a “trailing expense”), it is very difficult to determine which fee application costs are attributable to which particular application, and it does not appear to us that such attribution is required by Paragraph 6 of the Fee Auditor Order. Thus, we interpret Paragraph 6 to require that an applicant’s cumulative fee application costs be applied to the applicant’s cumulative fees.

4. We note that BBL spent a total of 26.10 hours and \$11,065.00 in fees on matters pertaining to its fee applications during the Application Period. BBL’s cumulative fees for fee application preparation through April 30, 2005 are \$158,618.50. BBL’s cumulative fees overall are

\$3,317,260.50, of which 5% is \$165,863.02. Thus, BBL's fees for matters pertaining to its fee applications are under the 5% cap, and we have no objection to these charges.

Specific Time and Expense Entries

5. In our initial report, we noted the following meal expense for which more information was needed:

01/24/05	328.55	David F. Heroy	Camden, NJ trip for hearing 1/24/05-1/25/05 (Meals)
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Pursuant to our request, BBL provided the following information concerning this charge:

1/24/05 - 1/25/05 (\$328.55)

1/24/05	\$19.83 Lunch
	\$63.30 Dinner
1/25/05	\$24.80 Breakfast
	\$12.19 Lunch
	\$136.34 Dinner

All meals were for one person.

We note that the meals listed total only \$256.46, rather than \$328.55, and we, therefore, recommend a reduction of \$72.09 for the difference. In addition, it appears to us that one can ordinarily dine more than adequately for \$15.00 for breakfast, \$25.00 for lunch, and \$50.00 for dinner. Accordingly, we recommend that the \$63.30 dinner charge be reduced by \$13.30; the \$24.80 breakfast charge be reduced by \$9.80; and the \$136.34 dinner charge be reduced by \$86.34. Thus, for all items under this Paragraph, we recommend a reduction of \$181.53 in expenses.

6. In our initial report, we noted the following hotel charge for which more information was needed:

01/24/05	513.31	David F. Heroy	Camden, NJ trip for hearing
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1/24/05-1/25/05 (Hotel)

Pursuant to our request, BBL provided the following information concerning this charge:

1/24/05      Lodging (\$575.81)

This was for one night's stay in New York, including all applicable taxes.

It appears to us that one can ordinarily obtain more than satisfactory lodging in New York for \$350.00 per night, plus taxes. Thus, we recommend a reduction of \$163.31<sup>1</sup> in expenses.

### **CONCLUSION**

In summary, we recommend approval of \$231,894.00 in fees and \$4,918.18 in expenses (\$5,263.02 minus \$344.84) for BBL's services from February 1, 2005 through April 30, 2005.

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<sup>1</sup>Or the difference between the room rate of \$513.31 and a \$350.00 room rate.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**

By:   
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**FEE AUDITOR**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 21<sup>st</sup> day of November, 2005.

  
Warren H. Smith

**SERVICE LIST**

**Notice Parties**

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